ANNUAL REPORT

AND PROXY STATEMENT

2005

TO THE SHAREHOLDERS OF

Getz & Associates Incorporated

Getz & Associates, Incorporated
12738 Saddlemaker Court
Maryland Heights, Missouri 63043-2834

Carlton A. Getz, President & Secretary
Martin E. Kofsky, Vice President

June 28, 2006

Fellow Shareholders,

When Getz & Associates was organized ten years ago, my expectations for the company were rather modest. Although confident we could generate superior returns by consistently employing an investment philosophy that emphasized identifying undervalued securities through fundamental analysis, our performance over the last ten years – ten consecutive years of positive returns through soaring and sinking markets – has far exceeded those original expectations. Especially without the many complex analytical tools employed by far larger asset management firms, our record is a convincing affirmation of our investment philosophy.

Yet over the years, the possibility of disappointing you with a period of poor performance has grown more salient in my mind, leading me to consider the risks we face going forward – not those inherent to our investment portfolio, but those related to focusing too heavily on our past performance. Though perhaps unusual to suggest that the past can impact (and potentially impair) the future, it is not unrealistic, and a frank and forthright discussion of these risks – and how I plan to mitigate them – is warranted.

First, we must keep our expectations grounded. Though confident that our investment philosophy consistently applied can generate superior *long-term* performance, it is impossible to guarantee results over any period of time. Moreover, our philosophy says nothing about short-term performance and intervening periods of underperformance should be expected, especially since short-term performance reflects market sentiment rather than the underlying merits of a given investment. My basic warning remains unchanged, *that investing carries with it inherent risks, including the risk that our investment portfolio (and our shares) may lose value.*

Second, we must be cognizant of the insidious effect past performance can have if portfolio managers, in an attempt to preserve past performance, stray from the very investment philosophy which generated that past performance. Hedge funds, those vaunted risk-takers of Wall Street lore, are a recent example of this phenomenon since they tend to assume less and less risk as past performance draws in more and more cash (even before accounting for a scale effect), increasingly preferring the regular management fees in lieu of uncertain performance bonuses. In our case, we must be vigilant in acting promptly once our research has identified a compelling investment opportunity and then making a financial commitment commensurate with our conviction.

With respect to this second risk, it would be disingenuous, given ten straight years of positive returns, to suggest I derive no great sense of personal satisfaction from that record. Ensuring that sense of satisfaction (and a resultant unwillingness to disappoint you) does not impair our future performance is the challenge. Upon reflection, my solution is to simply forget – to wipe the slate clean – and recognize that past performance is exactly that – past. Though we perhaps begin the next ten years with greater confidence in the merits of our investment philosophy and a far deeper reservoir of experience (from both individual successes and failures) which we can draw upon to refine our securities analysis and investment selection process, we start out today renewed, as if the Corporation had just been organized and our performance entirely unknown.

Reflecting on the last ten years, the path behind us has been difficult, marked by many obstacles we have overcome, while before us is yet more uncharted territory. Perhaps our investment philosophy will not generate superior long-term performance in the future, though its consistent ability to do so has been demonstrated over the last seventy years and there is little reason to suppose otherwise now. Though the future is inherently uncertain, this is not something to fear. As Emerson said, "do not go where the path may lead; go instead where there is no path, and leave a trail." Setting out into the unknown in 1995, we left a trail over the last ten years. Now again there is no path before us, yet I am confident we will leave yet another trail.

Sincerely,

Carlton A. Getz, President
Getz & Associates, Incorporated

Notice to the Shareholders of

Getz & Associates, Incorporated

of the

Eleventh Annual Meeting of Shareholders

to be held at 3:00 o'clock PM on Wednesday, July 12, 2006,
at 1134 East 3300 South, Suite 418,
Salt Lake City, Utah 84106

Dear Shareholder,

You are hereby cordially invited to attend the Annual Meeting of Shareholders of Getz & Associates, Incorporated, to be held at 1134 East 3300 South, Suite 418, Salt Lake City, Utah, 84106, and to begin at 3:00 o'clock PM on Wednesday, July 12, 2006. The purpose of the meeting is to review the Corporation's performance over the past year, elect a Director to the Board of Directors of the Corporation, and to address any other business that may be properly brought before the meeting. The Corporation strongly encourages your attendance and participation at the meeting.

All Shareholders of record as of December 10, 2005, are eligible to cast a vote at the Annual Meeting of Shareholders. Please find enclosed a white proxy postcard representing your power to vote in absence on the issue before the meeting, the election of a Director to the Board of Directors of the Corporation. Even if you plan to attend the meeting, please vote, sign, date, and return your proxy postcard to an officer of the Corporation by hand or by mail as soon as possible. If you plan to attend the meeting in person, remember that you have the right to change your vote at any time prior to the announcement of the voting results. A specific request will be made at the meeting before results are announced to account for any such changes.

Also please note that space has been provided at the bottom of your proxy postcard for you to indicate your preferences on two additional items for 2006. The first option involves designating your choice of a recipient for your portion of the Corporation's charitable contributions for the year 2006. For additional information on the Corporation's charitable contributions and the designation of a recipient of your portion of these contributions for the coming year, see the section labeled **"Charitable Contributions Plan**," following. Remember to write your selected charity in this space so that the Corporation may accurately make contributions to these organizations.

The second option involves selecting whether you wish to receive your Quarterly Reports to the Shareholders for 2006 via electronic mail and the Corporation's web site, www.getzassoc.com, or wish to continue to receive hardcopy reports via standard postal mail. This election is only effective for 2006; an election to receive Quarterly Reports to the Shareholders via electronic mail in a prior year does not carry over to the following year. On average, it costs the Corporation $0.45 per Shareholder to produce and mail one quarterly report to the Shareholders by standard postal mail.

We look forward to seeing you at the Annual Meeting of Shareholders and discussing with you the activities of the Corporation over the past year. Again, please remember to return your proxy postcard.

Most Sincerely,

Carlton A. Getz, Secretary
Getz & Associates, Incorporated

CHARITABLE CONTRIBUTIONS PLAN

In 1999, the Corporation adopted a Charitable Contributions Plan which, among other things, allows Shareholders of the Corporation to designate the recipient of their portion of the Corporation's charitable contributions for the next fiscal year. Each Shareholder's funds available for contribution are determined as a function of the number of shares of the Common Stock held by the Shareholder. For the 2006 fiscal year, this amount is $0.02 per share of the Common Stock. For example, a Shareholder who holds 50 shares of the Corporation's Common Stock is eligible to designate the recipient of $1.00 of the Corporation's total charitable contributions for 2006. Based on the number of shares issued and outstanding as of December 10, 2005, total charitable contributions for 2006 could be as much as $91.16.

Each Shareholder is asked to indicate on the bottom of the white proxy postcard one of the organizations listed below to which one's contribution should go:

National Center for Missing and Exploited Children
Salvation Army
Smithsonian Institution
Southern Arizona Center Against Sexual Assault

ELEVENTH ANNUAL MEETING OF SHAREHOLDERS PROXY STATEMENT

There is only one issue before the Shareholders of the Corporation to be voted upon at the Annual Meeting of Shareholders. The Corporation has not been notified or otherwise informed of the intention of any Shareholder to bring before the meeting an alternate proposal or any other proposal for a vote of the Shareholders, although Shareholders may do so at their discretion in the proper manner. Please remember to vote, sign, date, and return your proxy postcard.

Item 1) The Bylaws of the Corporation provide for the election of a Director at every Annual Meeting of Shareholders, to serve a term on the Board of Directors to last from the Annual Meeting at which such Director shall be elected until the election of a new Director at the Annual Meeting immediately following. The Board of Directors of the Corporation is responsible for overseeing the general operations of the Corporation, establishing corporate policy, considering resolutions for carrying out corporate business, selecting the executive staff, and performing other duties beyond the daily management of the Corporation's affairs.

Only one individual has been nominated for the position of Director of the Corporation. Mr. Carlton A. Getz currently serves as the President, Secretary, and Director of the Corporation, and has done so since the Corporation was founded in 1995. Mr. Getz is not compensated for any of his duties in accordance with the Bylaws of the Corporation. Additionally, Mr. Getz is a Shareholder of the Corporation and, as of December 10, 2005, held 2,300 shares of the Corporation's issued and outstanding common stock. Mr. Getz has notified the Corporation that certain investments held by the Corporation are in public companies in which Mr. Getz also holds shares on a personal basis. Questions regarding these activities or other information may be asked at the Annual Meeting of Shareholders or directed to the Corporation.

The Board of Directors of the Corporation recommends a vote FOR item one.

The Board of Directors
Getz & Associates, Incorporated

PROXY STATEMENT DISCLOSURES

SHARE OWNERSHIP OF CORPORATE OFFICERS

As of December 10, 2005, the Corporation had three executive officers, listed below. The following disclosure is presented in accordance with the format prescribed by the Securities and Exchange Commission.

Name and Position	Shares of the Common Stock Held	Percent of Outstanding Shares
Carlton A. Getz President, Secretary, & Director	2,300	50.46%
Martin E. Kofsky Vice President	19.4896	*
Martin F. Ohmes Director of G&A Internet Resources	14.2820	*
Total All Officers and Directors:	**2,333.7716**	**51.20%**

Notes:
* - Less than 1% of the total issued and outstanding shares of the Common Stock.

INCENTIVE STOCK OPTION PLAN

As of December 10, 2005, the Corporation had awarded options covering the purchase of six shares of the Corporation's Common Stock under the Corporation's Incentive Stock Option Plan, adopted by the Shareholders at a special meeting held in July of 1999. The number of shares covered by such options as of December 10, 2005, is presented below in a format prescribed by the Securities and Exchange Commission.

Recipient	Shares Covered by Options	Expiration Dates	Ave. Exercise Price	Fair Value At Expiration At Assumed Annual Growth Of	
				5%	10%
Martin F. Ohmes	6	March 10, 2010- Sept. 10, 2011	$15.00	$141.08	$204.23

The Corporation accounts for the dilutive effects of outstanding stock options by adjusting the reported earnings per share in accordance with the book value method. In order to calculate the diluted earnings per share, the Corporation adds the number of dilutive shares of the Common Stock represented by outstanding stock options to the number of issued and outstanding shares of the Common Stock and subtracts the number of shares of the Common Stock which the Corporation would be able to acquire with the proceeds from the exercise of dilutive stock options. Dilutive stock options are those with an exercise price less than the net asset value per share. As of December 10, 2005, all of the incentive stock options issued by the Corporation were dilutive. If all outstanding stock options were exercised on December 10, 2005, the Corporation's reported earnings per share would not change and the net asset value per share of the Common Stock would be $29.90.

During fiscal year 2005, the Corporation awarded no incentive stock options, no incentive stock options were canceled, and no incentive stock options were exercised.

Annual Report to the Shareholders of

Getz & Associates, Incorporated

and the Results of the Fourth Quarter of the Corporation's Fiscal Year

2005

1504 Lone Tree Court
Lake Sherwood, Missouri 63357-1284

INTRODUCTION

The 2005 Annual Report to the Shareholders of Getz & Associates, Incorporated, is intended to inform you of the performance of the Corporation over the past year. The report is organized to present the Corporation's activities and future perspective in a clear and concise manner. Please understand, however, that the Corporation cannot predict the future and forward-looking statements are made with the understanding that influences beyond the Corporation's control may change, either in favor of or against the interests of the Corporation. Forward-looking statements are not guarantees but instead provide a perspective of management's expectations of how possible events may affect the Corporation's progress.

The first section of the report consists of a written description of the Corporation's 2005 fiscal year, including a general overview of the Corporation's activities followed by detailed information on the Corporation's investments and operations. Following the written description, you will find financial statements and notes to these financial statements detailing important aspects the numerical presentations do not fully reflect.

The Corporation always appreciates feedback. Should you have any questions concerning information in this report or about activities not fully described or addressed herein, please direct those inquiries to the Corporation. Additionally, if you would like to see additional information of a specific nature in future reports, these comments will allow the Corporation to do everything possible to fully inform you of our business and objectives.

OVERVIEW OF 2005

Fellow Shareholders,

Overall, the last year was similar to the year before – concerns about trade imbalances, inflation and interest rates, the housing market, and employment growth continued to cloud perspectives on the overall course of the economy as various economic indicators sent differing signals on what the future may hold. Nonetheless, the fundamentals are generally positive – unemployment and interest rates remained relatively low throughout the year, corporate profits were at record levels, and the economy continued to grow. Towards the second half of the year, however, concerns about the price of oil and the impact rising oil prices and rising interest rates may have on consumer spending, the core of the U.S. economy, again transpired to bring expectations down, leaving the markets essentially directionless.

Despite such a challenging market environment, the Corporation's investment portfolio continued to perform well, resulting in the Corporation's tenth straight year of positive returns to the Shareholders as the net asset value per share of the Common Stock rose to $29.92, an increase of 12.2% from $26.67 at the end of the prior year.

Although the Corporation achieved relatively strong investment performance, we did not flawlessly execute on our investment research during the year. This point merits a brief comment so as to understand our errors and avoid making the same errors in the future. As the Corporation's portfolio manager, these errors are largely my own and this discussion is as much for my benefit as for yours.

The Corporation made two fundamental errors during the last year, the first of which was failing to promptly add to its investment portfolio certain investments which the Corporation had concluded were

compelling opportunities, and the second of which was failing to make a material commitment to those investments which the Corporation did add to its investment portfolio. Overnite Transportation is the most salient example of the first error while Cavco Industries is the most salient example of the second. In the case of Overnite, the Corporation dithered in making an investment despite concluding that the company's shares represented a compelling investment opportunity. The Corporation thus missed the subsequent acquisition of the company by United Parcel Service at a substantial premium to the market price.[1] In the case of Cavco, though the Corporation added the company to its investment portfolio, the allocation of a mere 2% of the Corporation's assets to this investment did not reflect the Corporation's confidence in the company's future potential. As a result, the Corporation diluted the value of its analysis of the company.

The underlying concern is that both of these errors were in part due to an emphasis on unidentifiable risks and an unwillingness to assume those risks (since in neither case was there a *specific* issue which made either investment opportunity less compelling). Such unwillingness is symptomatic of the unreasonable desire to preserve past investment performance discussed earlier in this Annual Report to the Shareholders. Securities analysis by necessity requires one to consider the circumstances of a prospective investment opportunity and conclude that the prospective opportunity is compelling, short of some unidentifiable future event which is an inherent risk of *all* investments. Thus, such unidentifiable future events must not drive the investment decision making process. As a result, our investment philosophy requires the acceptance of such risks, objectively considered, and although one may minimize risk through the consideration of the margin of safety, one can never eliminate all risk within a portfolio.

Another ramification of our investment philosophy is the development of a relatively concentrated investment portfolio. This is reflective of our belief in making material financial commitments to those opportunities deemed compelling, a belief which our minor commitment to Cavco did not echo. Portfolio construction involves searching for compelling investment opportunities and adding those opportunities to the portfolio. It is important to note that this does not state that we search for the *most* compelling opportunities both because we will miss some and others will not be clear to us through our analysis. However, our objective is not to beat everyone else's performance, but instead to consistently follow an investment philosophy which, *over time*, has demonstrated a consistent ability to generate strong performance. Our approach is not one of constantly seeking the next Microsoft, per se, which is not unlike playing the lottery, but of consistently making intelligent investment decisions. In order to do so, however, we must act on those investment opportunities we consider compelling and, in acting, make financial commitments which reflect our position to take full advantage of those investment opportunities. As a result, the process is somewhat akin to the saying "put your money where your mouth is" in that, if an investment opportunity is not sufficiently compelling to include as a substantial holding within an investment portfolio, it is questionable whether it is sufficiently compelling to include at all, while if an investment opportunity is sufficiently compelling to include as a substantial holding, then one should follow though on the commitment and allocate a weight within the portfolio commensurate with the confidence developed through securities analysis.[2]

The most frequent concern that arises with such an approach is that, by making substantial individual commitments, the resultant portfolio may not be diversified. While that is certainly a concern, focusing on diversification as a primary driver of portfolio construction leads investors to focus excessively on diversification at the expense of making specific commitments to thoroughly researched investment opportunities. In fact, statistically speaking, a portfolio has achieved virtually full diversification against unsystematic (specific) risk once it is composed of some 12-15 individual and uncorrelated securities, a far cry from those mutual funds which sport nearly as many securities as the S&P 500 index, if not more.

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[1] – Ironically, Overnite Transportation was very similar to another of the Corporation's former holdings, American Freightways. Shortly after the Corporation acquired its investment in American Freightways in 2000, the company was acquired by Federal Express.

[2] – Note that although errors will occasionally be made in the analysis, thus suggesting that some opportunities are more compelling than they actually are – an inherent risk of investing generally – our emphasis on achieving a margin of safety by focusing on investment opportunities where the intrinsic value is substantially more than the market value acts to mitigate the risk of errors made in the assessment of intrinsic value. In theory, if the shares of a company were trading at a substantial discount to their intrinsic value, one could thus eliminate virtually all risk.

More often than not, this is done partly in the name of diversification, but one would be hard pressed to argue that all of those securities represent truly compelling investment opportunities. More likely, the plethora of holdings ultimately ends up diluting the performance of the most compelling investments, a cost of excessive diversification. Thus, *diversification should always be viewed as a tool and never a compass*, allowing one to mitigate risks associated with specific investments but providing no information on the merits of a specific investment. For this reason, the Corporation holds that diversification is a secondary objective, something to be mindful of but not controlling in the selection of investments. One should invest in those companies in which one has developed a strong conviction through objective analysis first while being aware of the diversification issues associated with each addition or subtraction second.

In addition to recording positive investment results, the Corporation also made substantial progress in the development and registration of its investment management and financial advisory unit during 2005. While the prior two years were dedicated to developing the unit's core concepts, the last year was spent preparing and filing the organizational and regulatory documentation required to "open our doors" as a registered investment advisor.

In conjunction with this process, subsequent to the end of the Corporation's fiscal year, the Corporation filed documents to organize Winter Harbor Advisors, L.L.C., as a Utah limited liability company and wholly-owned subsidiary of the Corporation. Winter Harbor Advisors is intended to assume the prior role of G&A Financial, a name change which the Corporation made after soliciting comments from a number of individuals (both familiar and unfamiliar with the Corporation) and concluding that the new name better reflected the purpose of the firm and communicated a sense of the firm's philosophy and approach to investing. In conjunction with the organization of Winter Harbor Advisors, the Corporation entered into an agreement to sell its rights to the registration of "G&A Financial" at book value. Shortly thereafter, in April of 2006, Winter Harbor Advisors filed registration documents with the Division of Securities of the State of Utah to become a registered investment advisor in the State of Utah. These filings are currently pending review and approval by the Division of Securities.

In addition to regulatory documentation, the Corporation also began developing and revising printed materials and an online presence for the advisory unit. Although presently a "beta" test version not yet ready for public release, Shareholders are invited to visit Winter Harbor's developmental web site at www.winterharboradvisors.com/main.htm and forward any comments, questions, suggestions, or other insights to the Corporation. Going forward, the features developed for Winter Harbor's website will also be incorporated into the Corporation's own website to provide continuity and a cleaner, more concise format. As part of a comprehensive overhaul of its own outdated online presence, the Corporation also plans to eliminate much of the irrelevant and infrequently updated information contained on the current site to make it a far more useful resource for Shareholders to access quarterly and annual reports, corporate information, and frequently requested documents.

The development of Winter Harbor Advisors over the last three years has been a very long process, but it has allowed the Corporation to refine the purpose and objectives of Winter Harbor such that the vision the Corporation now has for Winter Harbor is far more focused and refined than it was three years ago when we first announced our intention to enter the investment advisory field. Moreover, the materials we now have for prospective clients reflect that clear, concise, and compelling vision in the description of the value Winter Harbor provides to its clients.

Throughout, we have also taken the opportunity to discuss Winter Harbor with prospective clients, not only to solicit feedback but also to begin developing a base of prospective clients which will hopefully become the firm's core client portfolio. Particularly as a fee-based investment management organization, the financial success of the firm will be measured both in total assets under management and investment performance. However, although fast growth in assets under management would be preferable from a financial point of view, my view is that in our initial years we should instead focus on incremental growth for three basic reasons, only two of which are under our direct control. The one beyond our control is that fact that Winter Harbor will be a "new" and (despite the Corporation's now long track record) relatively unproven investment management firm. As such, our opportunities for growth in the near term will be inherently limited. However, given the fundamentally different nature of Winter Harbor compared to many other investment advisors (who focus on asset allocation and mutual fund selection), Winter Harbor

provides a more compelling proposition by providing comprehensive financial management and proprietary research, the same research used to identify opportunities for the Corporation's own investment portfolio.

The two reasons which are under our control relate to our willingness to grow and our willingness to accept clients. The first consideration is born of good management practice, not with respect to securities portfolios but business organization. Before expanding rapidly, the early years should be spent working with our initial core clients to further refine the services provided and the processes used, quickly resolving any issues so that we can offer a truly robust platform to prospective clients going forward. The second consideration is that since the consistent application of our investment philosophy is critical to the investment management success of the firm (and our clients), Winter Harbor Advisors will necessarily need to be selective in accepting clients. Although many investment advisors attempt to be all things to all people in order to maximize growth, Winter Harbor's clients must share the firm's fundamental investment principles in order for the firm to add value to the client's investment portfolio. Conflicts with clients created due to dissimilar investment principles and philosophies would distract the firm – unnecessarily – from its core mission of investment management.

Thus, Winter Harbor Advisors will be a strictly principles and values based organization, just as is the Corporation, with all of the benefits (and potential drawbacks) such a philosophy entails. Over the long term, as markets and opportunities develop, we will look towards further developing other concepts which have been outlined during the process, including the eventual launch of Winter Harbor's first private investment fund, advised by Winter Harbor, providing prospective investors a flexible, tax-efficient investment vehicle to further benefit from our investment philosophy.

As we look towards the future, there are a number of reasons to be optimistic. The challenging investment environment provided more prospective investment opportunities than prior years have provided and despite the same challenging environment – a condition which the Corporation expects to continue into the coming year – more such opportunities will likely arise. While the market is still highly valued by historical measures, pockets of opportunities exist, and we need identify only a handful of compelling opportunities to continue building on the success of prior years.

Sincerely,

Carlton A. Getz, President
Getz & Associates, Incorporated

QUARTERLY AND ANNUAL RESULTS

The Corporation recorded a net profit of $461.36 for the fourth quarter of 2005 on operating revenues of $499.56 and operating expenses of $172.68. Operating revenues were derived from dividends (46.8%), retail sales (33.8%), and interest income (19.4%). Operating expenses consisted almost entirely of cost of goods sold (61.4%) and general expenses (30.8%) while postage and freight expenses composed the balance. Operating revenues from retail sales were higher than the prior quarter due to the receipt of retail orders during the fourth quarter. Dividend income rose from the prior quarter due to the addition of Norfolk Southern Corporation to the Corporation's investment portfolio and slightly higher dividend rates declared by other companies already in the Corporation's investment portfolio. Interest income fell from the prior quarter due to lower average cash balances partially offset by the continuing upward trend in the average interest rate paid on cash held by the Corporation. The cost of goods sold rose in tandem with the quarterly increase in retail revenues while general expenses fell due to reduces expenses in various miscellaneous expense categories. Postage and freight expenses rose slightly in relation to the increase in retail orders receives during the quarter.

The Corporation's retail unit, operating under the name World Wide Stamp Company, recorded net retail income for the fourth quarter of $2.17 on revenues of $168.91 and expenses of $166.74, resulting in a net profit margin of 1.2%. Other income of $134.20, not included in the retail unit figures above, was largely attributable to the expiration during the quarter of customer credits held by the retail unit, resulting in additional "other" income. The Corporation's advisory unit, which is still in the development stage, did not record any revenues or expenses for the fourth quarter of 2005.

For the year 2005, the Corporation reported net income of $1,005.84 on operating revenues of $1,537.60 and operating expenses of $637.17. Net income rose $361.50, or 56.0%, from $644.34 in the prior year. The increase in net income from the prior year was attributable to a number of factors, including higher dividend and interest income, higher other income due to the expiration of customer credits held with the retail unit, lower corporate and regulatory fees and general expenses, and a lower provision for income taxes during the year. The Corporation's gross margin and net margin for the year were 58.6% and 65.4%, respectively, as compared to 35.3% and 26.9% for the prior year. Gross and net margins rose from the prior year due to the factors mentioned above which resulted in the increase in net income. The Corporation's net margin was higher during 2005 than its operating margin due to the inclusion in other income of customer credits held by the retail unit which expired during the year.

Revenues for 2004 were primarily derived from dividends (52.8%), interest income (27.4%), and retail sales (19.8%). Dividend income rose from the prior year due to additions to the Corporation's investment portfolio and higher dividend rates declared by companies held in the Corporation's investment portfolio. Interest income rose from the prior year due to higher average interest rates on cash held by the Corporation partially offset by lower average cash balances. Retail revenues fell from the prior year as the Corporation recorded substantially fewer orders and lower average order sizes during 2005 as compared to 2004.

Expenses for 2005 primarily consisted of general expenses (39.8%), cost of goods sold (30.4%), postage and freight expenses (14.3%), followed by supplies (8.4%) and corporate and regulatory fees (7.1%). General expenses fell from the prior year primarily due to lower charitable contributions due to the increased per share contributions made during 2004 relative to 2005. Corporate and regulatory fees fell from the prior year due to reduced registration and annual report filing expenses due to the implementation by the State of Missouri of reduced fees for online filers. Cost of goods sold expense fell from the prior year due to the substantially lower volume of orders received. Postage and freight expenses and supplies expenses were largely unchanged from the prior year.

For the full year 2005, the Corporation's retail unit reported a net profit of $39.16 on revenues of $438.86 and expenses of $399.70. The results for 2005 compare to a net profit from retail operations of $204.38 on revenues of $1,331.00 and expenses of $1,126.62 during 2004. The resulting net profit margin for 2004 was 8.9%, below the net profit margin of 15.4% recorded in 2004 and also below the Corporation's stated operating objective of a 20% net retail profit margin. Retail revenues fell 67.0% from the prior year, after including revenues related to the expiration of customer credits held by the retail unit, reflecting a substantial decrease in orders and average order size, while retail expenses fell 64.5%. Retail expenses fell less than revenues due to the fixed nature of a portion of the retail unit's annual operating expenses. This effect was amplified by lower gross margins realized on retail sales during 2005 as compared to 2004. Fixed expenses for the retail unit are primarily related to domain name registration and web site hosting required to maintain the Corporation's and retail unit's online presence, all of which the Corporation presently allocates to the retail unit's operations. Allocating a portion of these expenses to the Corporation would reduce the retail unit's reported expenses and increase (or decrease) the reported net income (or net loss) although the Corporation's consolidated operating results would be unchanged. Retail unit results are reported prior to the allocation of any income taxes or general corporate expenses, which are included on the consolidated financial statements of the Corporation. As noted above, the Corporation's advisory unit remained in the development stage throughout the year and recorded no revenues or expenses during 2004.

As of December 10, 2005, the Corporation's assets were $146,686.31, an increase of $31,693.72, or 27.6%, from $114,992.59 as of the end of the prior year. Assets consisted of the Corporation's investment portfolio (81.2%), cash (18.6%), and retail assets (0.1%), which represent stock and bond certificates in inventory. The increase in assets between 2005 and 2004 is largely attributable to an increase in unrealized capital gains in the Corporation's investment portfolio, an increase in retained earnings, and the sale of additional shares of the Corporation's Common Stock during the year. Additional unrealized capital gains and purchases of investments during the year also resulted in an increase in the percentage of the Corporation's assets represented by the Corporation's investment portfolio while the percentages represented by cash and retail assets declined from the prior year. The Corporation sold an additional 554 shares of the Corporation's Common Stock during 2005 for net proceeds to the Corporation of $15,805.64. The value of the Corporation's investment portfolio increased due to the aforementioned unrealized capital gains and purchases of investments, while the Corporation's cash holdings decreased slightly due to purchases of investments partially offset by the sale of additional shares of the Corporation's

Common Stock and the retention of earnings from retail sales, dividends, and interest. Retail assets continued to represent a small fraction of the Corporation's total assets.

Liabilities at the end of 2005 stood at $10,300.17, an increase of $2,122.77, or 26.0%, from $8,177.40 at the end of the prior year. Virtually all of the Corporation's liabilities in 2005 and 2004 (98.5% and 96.7%, respectively) consisted of deferred tax liabilities, representing future federal income taxes payable on the net unrealized capital gains in the Corporation's investment portfolio. The large increase in liabilities from 2004 to 2005 was the result of substantial additional unrealized capital gains in the Corporation's investment portfolio due to the strong performance of the Corporation's investments during 2005. Accrued liabilities fell as the Corporation reduced outstanding balances on its available lines of credit while unearned revenues fell as customer credits held with the retail unit expired and the Corporation shipped orders received in the prior fiscal year.

Shareholder's equity on December 10, 2005, was $136,386.14, an increase of $29,570.95, or 27.7%, from $106,815.19 at December 10, 2004, resulting in a net asset value per share of the Common Stock of $29.92 at the end of the fiscal year.

As of December 10, 2005, the Corporation had 4,558.1402 shares of the Common Stock issued and outstanding to 26 Shareholders in Missouri, Illinois, Kansas, Virginia, Ohio, California, Wisconsin, and Nevada. The Corporation also had six stock options outstanding, each covering one share of the Common Stock. As of the close of the year, the net asset value per share of the Common Stock exceeded the exercise price of all six options.

DISCUSSION OF RESULTS

INVESTMENT STRATEGY & CORPORATE INVESTMENT HOLDINGS

At the close of the year, the Corporation held common stock shares of eleven companies, shares of preferred stock of one company, and preferred capital trust securities of one company trust. The Corporation's investments are involved in such varied businesses as retailing, home-building, restaurants, manufacturing, insurance, and real estate, and transportation. Investments held for the entire year, which for 2005 represented only a portion of the year-end investment portfolio, yielded a gain of 11.7%. Gains in the investment portfolio were spread across virtually all of the Corporation's investments, in part reflecting the widespread effect on securities prices of an improving outlook for the overall economy.

The Corporation maintains financial records on all companies in which it holds investments. These records include annual reports, quarterly reports, dividend payment information, proxy statements, and other documentation. Shareholders are invited to review this information at any time in order to familiarize themselves with the Corporation's investments. In addition, the Corporation maintains extensive information on investments which it has investigated or is currently investigating, although this information may not be as complete as for companies in which the Corporation holds investments. For companies in which the Corporation has held investments but has sold those investments, the Corporation disposes of all financial information at the end of the year in which the investment is sold, with the exception of the most recent annual report which is held for the duration of the year following. Financial records such as dividend payment statements and capital gains distributions are held indefinitely. The Corporation also retains a record of all proxy votes on matters submitted to the Corporation by companies held in the investment portfolio.

Since the Corporation's primary concentration is investments in securities, and the results of the Corporation over any period of time are primarily determined by the performance of its investments, the Corporation considers it important that Shareholders be familiar with these investments. Following are brief descriptions of each of the Corporation's holdings with comments on recent circumstances and the Corporation's general perspective on each.

AAON, Incorporated – (NASDAQ: AAON; WSJ: "AAON Inc") – AAON, Incorporated, is a manufacturer of air conditioning and air handling equipment. Almost all of the company's products are intended for commercial applications, particularly the company's core line of energy efficient rooftop air conditioning units which are typically used in small office buildings, small retail complexes, and large "big box" retail stores and warehouses. The latter market is particularly important to the company since the low lifetime operating costs of the company's energy efficient rooftop units have allowed the company to capture a sizable portion of the market for rooftop units in discount "big box" retail store construction

where cost is a critical decision factor. As a result, the company's three largest customers are Wal-Mart, Target, and Home Depot. AAON differentiates its products through both specialized manufacturing for specific project requirements and technological innovation to increase energy efficiency. Many of the company's technological innovations have been patented by the company. In addition, the company's experience allows it to produce specialized units more quickly and more efficiently than larger competitors. This benefits the company by making it difficult for competitors to substitute other products in place of specified AAON units, helping to preserve the company's premium pricing. During 2005, continuing high steel and copper prices impacted the company's gross margins and operating results, as in prior years, while price increases instituted during 2004 offset some of these additional costs. Although demand had remained relatively flat for an extended period of time, the company began to experience higher demand towards the end of 2005 as well as slightly reduced pressure from commodities prices. While the Corporation remains cognizant of the challenges faced by the company, the Corporation believes the company's strong market position and technological advantage provides a strong foundation for future performance and considers AAON a strong long-term investment.

Cavco Industries, Incorporated – (NASDAQ: CVCO; WSJ: "CavcoInd") – Cavco Industries, formerly a unit of Centex Homes, is a manufacturer of manufactured homes based near Phoenix, Arizona. The company designs and produces a number of different styles, including standard ranch floor plans and vacation/camping cabins. Cavco homes are marketed through independent manufactured home dealers who typically maintain an inventory of example homes on dealership lots. Unlike many manufactured homes which are sited on leased land, many Cavco homes are sited on land sold to the purchaser with the house, easing financing for the purchaser since land typically represents better collateral than the house itself. The vast majority of the company's sales originate in Arizona, California, New Mexico, Utah, Nevada, and Colorado, all of which are expected to be among the fastest growing states over the next ten to twenty years. Due to the severe decline in manufactured home sales in the early 1990's caused by higher interest rates on chattel loans (loans issued against houses built on leased land), higher sales of repossessed manufactured houses, and narrower interest rate differentials between manufactured houses and site-built houses, the company closed a number of manufacturing plants in more competitive markets over the last few years and sold or closed virtually all of its company-owner dealer locations. However, the company has since benefited from a stabilizing market, stronger sales due to hurricanes Katrina and Rita, population growth in its core markets, and rising interest rates on site-built houses. Looking ahead, given a better chattel and manufactured home loan environment, improved economic performance, and the growth characteristics of Cavco's core markets, the Corporation believes Cavco is well positioned to benefit from these trends well into the future and represents a core holding for the Corporation.

CBRL Group, Incorporated – (NASDAQ: CBRL; WSJ: "CBRL Gp") – CBRL Group, Incorporated, is a restaurant holding company which operates its flagship Cracker Barrel Old Country Store brand and Logan's Roadhouse, a smaller brand acquired in 1999. Although the company continued to report reasonably strong results, retail results towards the end of the year showed a marked downturn due to what management called an excessive reliance on older product offerings, less renewal within the retail sections of the store, and missed merchandising opportunities. Additionally, higher fuel prices were claimed as a factor in slowing same store sales growth and potentially challenging periods in the near future. Although the company's financial position remains relatively strong, the Corporation is carefully watching developing results as CBRL Group has in the past had difficulty managing transition periods or periods when results were weak. As a result, the Corporation considers CBRL Group a strong company with good fundamentals but is aware of the potential for challenges in the near term.

Dillard's Capital Trust I 7.5% Preferred Debt Securities – (NYSE: DDT; WSJ: "DillrdCapTr") – The Dillard Capital Trust I is a trust organized by Dillard's Department Stores, Incorporated, to purchase 7.5% subordinated debentures issued by Dillard's with funds raised by the trust's sale of preferred securities. Interest on the bonds held by the trust is paid to the preferred security holders. The preferred securities may be called by the trust for redemption at $25.00 per preferred share on or after August 12, 2003, upon the redemption of the related subordinated debentures, and are subject to mandatory redemption at $25.00 per preferred share when the debentures come due on August 1, 2038. While the company has experienced a challenging retail environment over the last year, slowing its progress in improving operations and leading to greater volatility in the market price of the trust preferred shares, the

Corporation believes they remain an unusual opportunity. Although the Corporation has some differences of opinion regarding management of the company, as well as concerns about Dillard's persistently substandard performance, the Corporation holds these shares as a long-term value investment and believes Dillard's operations are sufficiently strong to ensure payment of trust preferred dividends and principal on the underlying bonds.

Dillard's Department Stores, Incorporated – (NYSE: DDS; WSJ: "Dillards") – Dillard's Department Stores, Incorporated, is one of the largest independent up-scale department store chains in the United States. Dillard's, like most department stores, has struggled over the last several years with declining favor among retail shoppers as discount retailers increasingly intrude on the traditional department store chains' primary markets. However, although challenging times continued in 2005, the company was able to stabilize its business and, in some cases, increase profitability from prior years and increase same store sales from the prior year. Generally, these advances have been small, but are a substantial improvement from past performance. While the company is occasionally suggested as a potential takeover target as the department store industry consolidates, especially given the vast real estate holdings which Dillard's has, the Corporation views this possibility as remote given the controlling interest the founding Dillard's family retains in the business. However, the Corporation does believe that Dillard's acquisition by another department store company would unlock substantial value for shareholders. Still, the recent improvements in operations, sales, and profitability, if incremental, suggest the company (and perhaps the industry) has reached a floor as well as providing evidence that Dillard's increasing emphasis on strong store brands is yielding measurable results. While the Corporation generally believes that shares of Dillard's are materially undervalued relative to the value of the underlying business, given the concentrated voting control of the common stock, it is possible that this value may not be realized in the near future. As a result, while the Corporation continues to hold Dillard's in its investment portfolio, it also remains aware of the potential limitations such concentration of control entails.

The Finish Line, Incorporated Class "A" – (NASDAQ: FINL; WSJ: "FinishLine") – The Finish Line's two primary subsidiaries, The Finish Line and Man Alive, operate mall-based retail store chains which focus on athletic clothing and accessories and urban-based clothing and fashion designs, respectively. Although the company has struggled in recent periods (in part due to unusually high same store sales growth the year before), the company remains on a solid financial footing with substantial cash, little debt, and strong cash flows which support the company's expansion strategy without the need to rely on debt issuance. In October, the company announced its intent to develop a new brand of stores which will focus on selling athletic clothing and accessories to women in higher income brackets. While there are ongoing risks to the business, including questions about the overall retail environment, given the company's strong fundamental operations and finances, the Corporation believes the company is well positioned to weather any retail storm that may arise and grow in the future. As such, the company represents a solid long-term holding in the Corporation's investment portfolio.

FPIC Insurance Group, Incorporated – (NASDAQ: FPIC; WSJ: "FPIC InsGp") – FPIC Insurance Group is an insurance holding company for First Professionals Insurance Company, formerly known as Florida Physicians Insurance Company, which writes professional liability insurance policies for individuals in the medical and legal professions. The Company is registered in more than 20 states, although the majority of its business is concentrated in Florida and Missouri. FPIC also owns subsidiaries which manage insurance operations for other writers of professional liability insurance and administrate plans for self-insured companies. Prior to the Corporation's purchase of its holdings in FPIC, the company announced that it would have to strengthen its insurance reserves for future losses due to chronic under-reserving in prior years. This announcement precipitated a change in management and, coupled with intense competition in the company's primary Florida market, a number of years during which the company struggled to regain its footing. The new management team, which is still in place, worked diligently to address the challenges the company faced and regain its financial footing. During 2002, one of the company's largest competitors withdrew from the Florida market citing poor profitability, reducing pressure on premiums and allowing the company to materially increase premiums, a phenomenon which continued into 2005. During 2003, through a combination of trust preferred securities and internal funds, the company restructured much of its debt, alleviating short-term concerns about its ability to refinance. As a result during 2004 and 2005, the company was able to improve operations, defend its market share,

increase revenues, maintain a very high retention rate among insured physicians while remaining highly selective of whom to insure, and further strengthen its balance sheet. Notably during 2005, the company was able to reduce the amount of reinsurance purchased from third parties due to its stronger financial position, increasing the company's share of premiums written and operating earnings. Moreover, the company has experienced substantially reduced severity on claims and fewer claims overall relative to the early part of the decade. These events place the company in a very strong position, both in terms of its market and its finances, with the prospect of an A.M. Best insurance rating upgrade to A- ever closer, a move which would greatly expand the company's opportunities in its markets since many organizations establish minimum ratings required to be considered as a competitive insurance carrier. Across all of these factors, and despite the historical volatility and substantial remaining short interest in the company's shares, the Corporation believes FPIC has a durable business model and is far stronger financially than it has been for some time. Based on the company's ability to leverage its improved position and generate tangible results, the Corporation considers FPIC a strong long-term investment.

K-Swiss Corporation – (NASDAQ: KSWS; WSJ: "KSwiss A") – K-Swiss Corporation is a manufacturer of shoes, especially tennis and athletic shoes. The company also sells clothing featuring its brand name. K-Swiss believes its retail strategy of limiting product availability produces superior returns by reducing the possibility of excess inventory and the need to discount prices to sell older products, thereby increasing retailers' interest in the company's shoes as high-margin items. While 2005 was another relatively strong year for the company, overall performance, as expected, was relatively unchanged from 2004. Substantial growth in European sales, attributable in part to the company's prior integration of distribution in Europe into the company itself, did not entire offset lower sales in the United States, although higher profitability on European operations did minimize the impact on the company's net income. Towards the end of the year, futures orders from the United States remained weak and earnings suffered due to a mixed media advertising campaign launched by the company to "reintroduce" its core products in the U.S. Although the company's operations remain extremely profitable, sales growth appears to have stalled for the immediate future and the company's results for 2006 will likely be below those for 2005. Nonetheless, while the Corporation is aware of the short-term challenges K-Swiss faces, the company's strong market position, high level of profitability, and demonstrated commitment to wisely using cash generated from operations to repurchase shares leads the Corporation to believe that K-Swiss remains a core long-term investment.

The Midland Company – (NASDAQ: MLAN; WSJ: "Midland") – The Midland Company is an insurer specializing in manufactured homes and, increasingly, specialty insurance for such items as marine equipment, motorcycles, and classic cars as the company moves away from its core market in manufactured housing. The company also owns and operates a small river shipping business based in Louisiana which transports bulk cargo on the Mississippi River. Although Midland incurred substantial disaster-related insurance losses due to hurricanes Katrina and Rita during 2005, the company nonetheless reported strong operating and underwriting results, especially for a property/casualty insurer. This was in part due to improvements in the company's motorcycle book of business in which the company has experienced operating losses every year since acquiring the book about three years ago. By increasing premiums (and reducing revenues as less desirable insured cyclists found other carriers), the company was able to achieve profitability in this line for the first time during 2005. Looking ahead, however, the company has indicated that operating margins and net earnings will be pressuring in the future by higher reinsurance rates, especially on the company's manufactured homes property/casualty lines, due to the substantial losses the reinsurance industry incurred during the 2005 hurricane season. Nonetheless, The Midland Company remains a well-managed and highly focused insurer with a strong balance sheet and financial track record. Moreover, as the company expands its niche product lines, such as marine, motorcycle, class car, etc., and becomes incrementally less reliant on manufactured housing, the business should experience more favorable loss and expense trends. As a result, the Corporation continues to view The Midland Company as a solid long-term investment.

Norfolk Southern Corporation – (NYSE: NSC; WSJ: "NorflkSo") – Norfolk Southern owns and operates a freight railroad system serving most of the Eastern United States, stretching from the East Coast to the Mississippi River and from Canada to Florida. Over the last several years, Norfolk Southern has been consistently recognized as one of the best run railroads in the United States. In addition to superior

operations and reliability, the company has also benefited from a number of factors which represent long-term advantages for the company and railroads generally, including shortage of qualified truck drivers, increased fuel prices which disproportionately affect the total cost of other forms of transportation, and operations problems of other railroads in the Western United States which has prompted importers to increasingly direct traffic to Eastern Seaboard ports where Norfolk Southern is frequently the dominant freight carrier. Combined with strong operating performance and a strong financial position, the Corporation believes Norfolk Southern is a strong long-term investment.

Owens-Illinois $2.375 Convertible Preferred Series "A" – (NYSE: OI-A; WSJ: "OwensIl pfA") Owens-Illinois is the world's largest manufacturer of glass and plastic container products, including bottles for juices, sodas, beers, wines, medicines, and cleaning fluids. The company also manufactures specialty products such as child-proof containers and container labels. Owens-Illinois $2.375 Convertible Preferred Series "A" securities are cumulative preferred shares which carry a redemption price of $50.00 per share and are convertible into shares of the company's common stock at a rate of 0.9212 shares of common stock per share of preferred stock. While there are certain risks inherent to the company due to its exposure to asbestos claims, particularly following the bankruptcy of several large building-materials manufacturers, and continuing consternation in Congress about how to deal with these claims, the company has aggressively defended itself against new claims and acts quickly to resolve claims it believes best to settle. In addition, the strengthening economy helped propel demand for the company's products and support price increases. The company took an additional charge during 2005 to increase its reserves for asbestos claims and, although Congress occasionally talks about reforming the asbestos litigation system, any material action on this front still appears well off into the future. However, the Corporation believes Owens-Illinois' leading and profitable market position and aggressive pursuit of asbestos liability resolution strengthens the company's financial position relative to these claims and makes the company's preferred shares a reasonable investment for the Corporation.

Pulte Homes, Incorporated – (NYSE: PHM; WSJ: "Pulte") – Pulte Homes, Incorporated, formerly known as Pulte Corporation, is one of the largest homebuilders in the United States. Pulte specializes in single-family residential construction and active adult communities, large-scale developments built on a master plan and marketed primarily to retirees, particularly in the Southwestern United States. Although Pulte posted another year of strong operating results for 2005, concerns about the sustainability of the current housing market and housing prices proliferated during the year. Overall, the housing market appears to have remained remarkably strong by historical standards despite weakness in some specific markets (notably Washington, D.C., and Las Vegas) although, towards the end of the year, a more substantial slowdown in sales of new and existing homes began to become apparent. As a result, several homebuilders have recently spoken of a more challenging overall environment despite broad strength and in some regions new orders and cancellations of existing orders for new houses began to accelerate. Despite these concerns, housing prices generally remain strong and, even with a fair amount of discounting on future housing sales, which would depress the industry's extremely high current margins, the industry generally would remain very profitable. Moreover, the company's geographic diversity should help insulate the company to a degree from localized weakness, a factor which recently led Pulte to suggest the company continues to foresee relatively strong results at least through 2006 and likely into 2007 (although some analysts have questioned the company's assertion). Generally speaking, although the Corporation expects local prices in some areas to come under pressure in the near future, the Corporation does not expect a "crash" in real estate prices to occur. Given this perspective, and the extremely low valuations already assigned to homebuilders (which would allow prices to fall a fair amount, resulting in margin compression and lower profitability), the Corporation finds it difficult to make a reasonable long-term argument for aggressively selling homebuilder shares, particularly those of Pulte. As a result, while remaining generally cautious about the overall market, the Corporation considers Pulte Homes a solid long-term investment.

United Capital Corporation – (AMEX: AFP; WSJ: "UtdCapital") – United Capital Corporation, through various subsidiaries, manufactures automobile parts and electrical transformers and invests in commercial real estate, much of which is leased to well-known national or regional retail chains and restaurants. The company pursued a program of liquidating certain commercial real estate properties between 2000 and 2003, realizing significant capital gains before the program was significantly curtailed in

2004. Meanwhile, the company has also generally avoided purchasing any properties, stating it considers the commercial real estate market overvalued and indicating a willingness to wait for better opportunities to present themselves. As a result, the company accumulated a substantial cash balance, some of which has been used to pay special dividends and repurchase shares. Nonetheless, the Corporation took the unusual step in 2005 of writing a letter expressing its position that the company should distribute additional cash to shareholders, given its continuing large cash position, either through additional special dividends or share repurchases. Shortly thereafter, though likely not as a result of the Corporation's letter, the company subsequently announced a Dutch tender auction for its common shares and repurchased a substantial number of shares through the auction. While the Corporation continues to believe that the company should distribute more of its cash to shareholders, much of the value of the company remains locked up in commercial real estate which is recorded on the books at original cost but, based on past real estate sales, has likely appreciated substantially in value since the company originally acquired the properties. While the market value of the company's commercial real estate portfolio is difficult to assess, past real estate sales can provide, to some degree, a rough proxy for the balance still in the portfolio. That said, full realization of this value is not possible unless the company sells the underlying real estate and ultimately returns the proceeds to the shareholders, which it has shown a decreasing willingness to do over the last two years. Nonetheless, the Corporation believes there is substantial underlying value in the company which is not fully recognized by the market, and considers United Capital Corporation a core holding.

RETAIL STRATEGY & RETAIL HOLDINGS

Retail revenues fell during 2005 to $438.86 as compared to $1,331.00 during the prior year, a decrease of 67.0%. The decrease in revenues during 2005 relative to 2004 was due to a substantial decline in the total number and aggregate size of orders received during the year partially offset by revenues derived from the expiration of retail customer credits held by the retail unit. Additionally, the loss of a popular supplier of collecting supplies during 2004 continued to impact revenues by eliminating a popular and profitable collector's album from the company's product portfolio. The decrease in revenues resulted in an operating profit of $39.16 during 2005 versus an operating profit of $204.38 during 2004. The retail unit's operating margin fell to 8.9% during 2005 as compared to 15.4% during 2004. However, without the expiration of customer credits, the retail unit would have posted a net operating loss. Products were shipped to 5 U.S. states during the year and one foreign country.

The retail unit's reported operating performance is impacted by the Corporation's method of allocating certain costs between the retail unit and the Corporation itself. The Corporation allocates expenses related to domain name registration and web hosting services exclusively to the retail unit rather than allocating these expenses between the retail unit and the Corporation. In years in which the retail unit reports a loss, this allocation tends to increase the reported loss. In years in which the retail unit reports a profit, this allocation tends to reduce the reported profit. Alternately, the Corporation does not allocate income tax expenses or benefits to the retail unit. As a result, income tax expenses or benefits attributable to the retail unit are not included in the Corporations' presentation of the retail unit's annual operating results. This allocation partially offsets the impact of the exclusive allocation of internet-related expenses to the retail unit.

The retail unit's underperformance over the last few years can be attributed to a number of factors, including dramatically increased competition since the unit pioneered the online sale of collectible stock and bond certificates and a dearth of wholesale orders which have far higher profit margins than individual certificate orders. Although the retail unit still maintains the largest online catalog of stock and bond certificates, the retail unit's online competitors generally have access to greater financial resources and can offer a better online ordering and customer service experience than the retail unit can presently access or provide. Moreover, the retail unit's fixed costs amplify the impact of falling revenues on operation results.

These factors are in part due to the minimal investment the Corporation has made in the retail unit over the last few years. Given the highly competitive nature of the retail unit's market and the substantial investment which would likely be required to reestablish the retail unit as a preeminent online scripophily retailer, such an investment is difficult to justify. Therefore, unless the Corporation can identify a viable alternative, the Corporation anticipates winding down the retail unit's operations over the coming year.

Getz & Associates, Incorporated, and Subsidiaries

Consolidated Balance Sheet

As of December 10:	1996	1997	1998	1999	2000
ASSETS:					
Current Assets:					
Cash & Cash Equivalents:	$3,438.30	$4,667.52	$6,531.28	$7,125.81	$11,550.03
Accounts Receivable:	$0.00	$0.00	$0.00	$8.50	$0.00
Inventories:	$0.00	$44.10	$404.02	$270.26	$283.38
Prepaid Expenses:	$0.00	$0.00	$0.00	$35.00	$0.00
Other Current Assets:	$9.60	$13.79	$31.41	$25.99	$14.73
Total Current Assets:	$3,447.90	$4,725.41	$6,966.71	$7,465.56	$11,848.14
Investments:					
Investments at Fair Value:	$10,135.83	$13,153.93	$21,379.12	$30,867.21	$35,356.25
Total Investments:	$10,135.83	$13,153.93	$21,379.12	$30,867.21	$35,356.25
Other Assets:					
Intangible Assets:	$0.00	$0.00	$0.00	$0.00	$0.00
Other Assets:	$100.00	$100.00	$100.00	$0.00	$0.00
Total Other Assets:	$100.00	$100.00	$100.00	$0.00	$0.00
Total Assets:	$13,683.73	$17,979.34	$28,445.83	$38,332.77	$47,204.39
LIABILITIES AND SHAREHOLDERS' EQUITY:					
Current Liabilities:					
Accounts Payable:	$0.00	$0.00	$0.00	$0.00	$0.00
Accrued Liabilities:	$0.00	$1,060.32	$46.70	$170.34	$14.95
Unearned Revenues:	$0.00	$30.00	$129.54	$33.00	$155.50
Taxes Payable:	$0.00	$0.00	$0.00	$0.00	$0.00
Other Current Liabilities:	$0.00	$0.00	$0.00	$0.66	$495.00
Total Current Liabilities:	$0.00	$1,090.32	$176.24	$204.00	$665.45
Long-Term Debt (Less Current Portion):	$105.69	$81.77	$56.99	$31.34	$4.78
Deferred Income Tax Liabilities:	$0.00	$0.00	$0.00	$621.71	$767.74
Other Long-Term Liabilities:	$0.00	$0.00	$0.00	$0.00	$0.00
Total Liabilities:	$105.69	$1,172.09	$233.23	$857.05	$1,437.97
Shareholders' Equity:					
Common Stock - no par value; 30,000 shares authorized, shares issued and oustanding at end of period as indicated below	$10,151.60	$11,191.86	$18,928.20	$28,484.98	$29,760.98
Retained Earnings:	$1,332.09	$1,507.56	$4,012.40	$5,252.34	$11,493.38
Accumulated Other Comprehensive Income:	$2,094.35	$4,107.83	$5,272.00	$3,738.40	$4,512.06
Total Shareholders' Equity:	$13,578.04	$16,807.25	$28,212.60	$37,475.72	$45,766.42
Total Liabilities and Equity:	$13,683.73	$17,979.34	$28,445.83	$38,332.77	$47,204.39
Shareholder's Data:					
Number of Shares Issued and Outstanding:	1,615.4459	1,731.9715	2,380.6516	3,109.4773	3,209.4773
Net Asset Value Per Share:	$8.40	$9.70	$11.85	$12.05	$14.25
Net Gain (Loss) Per Share:	$2.90	$1.30	$2.15	$0.20	$2.21
Percentage Net Change:	52.7%	15.5%	22.1%	1.7%	18.3%
Number of Shareholders:	-	-	-	25	24

2001	2002	2003	2004	2005
$12,788.93	$25,403.94	$26,394.20	$27,420.02	$27,221.91
$2.50	$2.50	$0.00	$0.00	$0.00
$331.18	$369.18	$477.98	$194.00	$189.00
$35.00	$199.87	$180.43	$160.99	$141.55
$16.87	$43.42	$13.64	$29.08	$2.07
$13,174.48	$26,018.91	$27,066.25	$27,804.09	$27,554.53
$50,348.75	$47,954.80	$68,622.50	$87,098.50	$119,041.78
$50,348.75	$47,954.80	$68,622.50	$87,098.50	$119,041.78
$0.00	$0.00	$90.00	$90.00	$90.00
$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$90.00	$90.00	$90.00
$63,523.23	$73,973.71	$95,778.75	$114,992.59	$146,686.31
$0.00	$0.00	$0.00	$0.00	$0.00
$25.60	$0.00	$0.00	$85.00	$17.28
$133.70	$241.20	$177.95	$186.45	$72.00
$0.00	$0.00	$0.00	$0.00	$59.59
$1.96	$0.00	$0.00	$0.00	$0.00
$161.26	$241.20	$177.95	$271.45	$148.87
$0.00	$0.00	$0.00	$0.00	$0.00
$1,678.60	$2,025.40	$5,125.55	$7,905.95	$10,151.30
$0.00	$0.00	$0.00	$0.00	$0.00
$1,839.86	$2,266.60	$5,303.50	$8,177.40	$10,300.17
$36,108.48	$44,023.73	$44,023.73	$44,023.73	$59,829.37
$15,865.39	$16,026.63	$17,227.22	$17,871.56	$18,877.40
$9,709.50	$11,656.75	$29,224.30	$44,919.90	$57,679.37
$61,683.37	$71,707.11	$90,475.25	$106,815.19	$136,386.14
$63,523.23	$73,973.71	$95,778.75	$114,992.59	$146,686.31
3,590.3796	4,004.1402	4,004.1402	4,004.1402	4,558.1402
$17.18	$17.90	$22.59	$26.67	$29.92
$2.92	$0.73	$4.69	$4.08	$3.25
20.5%	4.2%	26.2%	18.1%	12.2%
25	27	27	26	26

Getz & Associates, Incorporated, and Subsidiaries

Consolidated Statement of Income

For the Year Ended December 10:	1996	1997	1998	1999	2000
OPERATING REVENUES:					
Investment Income:					
Dividend Income:	$100.35	$203.63	$230.85	$236.63	$167.08
Interest Income:	$71.92	$119.95	$184.50	$222.78	$900.30
Total Investment Income:	$172.27	$323.58	$415.35	$459.41	$1,067.38
Advisory Revenues:	$0.00	$0.00	$0.00	$0.00	$0.00
Retail Revenues:	$32.00	$1,231.55	$6,859.05	$6,163.17	$1,733.08
Total Operating Revenues:	$204.27	$1,555.13	$7,274.40	$6,622.58	$2,800.46
OPERATING EXPENSES:					
Cost of Products Sold	$12.00	$795.31	$3,587.92	$4,572.31	$1,167.88
Corporate & Regulatory Fees:	$152.00	$70.00	$70.00	$170.00	$70.00
Postage & Freight:	$47.78	$95.86	$314.17	$245.07	$144.43
Supplies:	$152.30	$0.78	$89.26	$70.27	$28.46
General Expenses:	$8.67	$251.19	$391.71	$500.77	$504.56
Other Operating Expenses:	$0.00	$0.00	$0.00	$0.00	$15.75
Total Operating Expenses:	$372.75	$1,213.14	$4,453.06	$5,558.42	$1,931.08
OTHER INCOME/(EXPENSE):					
Realized Gains/(Losses):	$1,593.96	$77.97	$91.03	$466.30	$7,190.89
Interest Income/(Expense):	($3.39)	($3.62)	($18.72)	($1.59)	($8.13)
Other Income/(Expense):	$10.00	$0.00	$6.26	$1.50	$0.01
Total Other Income/(Expense):	$1,600.57	$74.35	$78.57	$466.21	$7,182.77
Income Before Income Taxes:	$1,432.09	$416.34	$2,899.91	$1,530.37	$8,052.15
Provision for Income Taxes:	$100.00	$240.87	$395.07	$290.43	$1,811.11
Net Income:	$1,332.09	$175.47	$2,504.84	$1,239.94	$6,241.04
Earnings Per Share (Basic):	$0.82	$0.10	$1.05	$0.40	$1.94
Earnings Per Share (Diluted):	$0.82	$0.10	$1.05	$0.40	$1.94
Shares Outstanding (Basic:)	1,615.4459	1,731.9715	2,380.6516	3,109.4773	3,209.4773
Shares Outstanding (Diluted):	1,615.4459	1,731.9715	2,380.6516	3,109.4773	3,209.7194

Portfolio Analysis

(Includes unrealized gains and losses; as of December 10, 2005.)

Shares	Company	Symbol	Cost	Current	Gain (Loss)	Cumulative Return
300	AAON, Incorporated	AAON	$3,510.95	$5,445.00	$1,934.05	55.09%
100	Cavco Industries, Inc.	CVCO	$2,847.95	$3,742.00	$894.05	31.39%
150	CBRL Group, Inc.	CBRL	$4,558.50	$5,424.00	$865.50	18.99%
150	Dillard's Capital Trust I	DDT	$2,674.50	$3,575.78	$901.28	33.70%
200	Dillard's Dept. Stores	DDS	$3,799.50	$4,830.00	$1,030.50	27.12%
500	Finish Line "A"	FINL	$7,794.56	$9,410.00	$1,615.44	20.73%
400	FPIC Insurance Group	FPIC	$4,187.00	$14,692.00	$10,505.00	250.90%
400	K-Swiss Corporation	KSWS	$1,403.50	$13,292.00	$11,888.50	847.06%
450	The Midland Co.	MLAN	$7,181.06	$17,037.00	$9,855.94	137.25%
200	Norfolk Southern Corporation	NSC	$6,295.95	$8,582.00	$2,286.05	36.31%
200	Owens-Illinois Pref.	OI-A	$2,612.00	$7,040.00	$4,428.00	169.53%
400	Pulte Corporation	PHM	$1,330.25	$16,284.00	$14,953.75	1124.13%
400	United Capital Corp.	AFP	$3,015.39	$9,688.00	$6,672.61	221.29%
Totals:			$51,211.11	$119,041.78	$67,830.67	132.45%

2001	2002	2003	2004	2005
$878.57	$611.57	$1,036.33	$743.06	$811.49
$398.56	$392.71	$332.41	$324.05	$420.95
$1,277.13	$1,004.28	$1,368.74	$1,067.11	$1,232.44
$0.00	$0.00	$0.00	$0.00	$0.00
$1,377.71	$674.20	$511.50	$1,331.00	$305.16
$2,654.84	$1,678.48	$1,880.24	$2,398.11	$1,537.60
$1,039.60	$473.49	$383.60	$922.48	$193.95
$90.00	$70.00	$70.00	$70.00	$45.00
$125.80	$109.10	$55.18	$108.09	$91.04
$83.30	$7.99	$0.00	$50.06	$53.47
$349.27	$263.43	$191.25	$399.91	$253.71
$0.00	$0.00	$2.50	$0.00	$0.00
$1,687.97	$924.01	$702.53	$1,550.54	$637.17
$4,250.76	($590.97)	$0.00	$0.00	$0.00
($0.02)	$0.00	$0.00	($1.76)	$0.00
$5.32	$0.01	$0.00	$0.29	$137.52
$4,256.06	($590.96)	$0.00	($1.47)	$137.52
$5,222.93	$163.51	$1,177.71	$846.10	$1,037.95
$850.92	$2.27	($22.88)	$201.76	$32.11
$4,372.01	$161.24	$1,200.59	$644.34	$1,005.84
$1.22	$0.04	$0.30	$0.16	$0.22
$1.22	$0.04	$0.30	$0.16	$0.22
3,590.3796	4,004.1402	4,004.1402	4,004.1402	4,558.1402
3,591.1410	4,005.1123	4,006.1561	4,006.7656	4,561.1322

Getz & Associates, Incorporated, and Subsidiaries

Consolidated Statement of Cash Flows

For the Year Ended December 10:	1996	1997	1998	1999
Cash Flows from Operating Activities:				
Net Income:	$1,332.09	$175.47	$2,504.84	$1,239.94
Plus: Depreciation and Amortization:	$0.00	$0.00	$0.00	$0.00
Reconciliation to Net Cash Provided by Operating Activities:				
(Increase)/Decrease in Accounts Receivable:	$0.00	$0.00	$0.00	($8.50)
(Increase)/Decrease in Inventories:	$0.00	($44.10)	($359.92)	$133.76
(Increase)/Decrease in Prepaid Expenses:	$0.00	$0.00	$0.00	($35.00)
(Increase)/Decrease in Other Current Assets:	($9.60)	($4.19)	($17.62)	$5.42
Increase/(Decrease) in Accounts Payable:	$0.00	$0.00	$0.00	$0.00
Increase/(Decrease) in Accrued Liabilities:	$0.00	$1,060.32	($1,013.62)	$123.64
Increase/(Decrease) in Unearned Revenues:	$0.00	$30.00	$99.54	($96.54)
Increase/(Decrease) in Taxes Payable:	$0.00	$0.00	$0.00	$0.00
Increase/(Decrease) in Other Current Liabilities:	$0.00	$0.00	$0.00	$0.66
Plus/(Less) Realized Loss/(Gain) on Investments:	($1,569.00)	$0.00	($20.14)	($466.30)
Net Non-Cash (Income)/Expense:	$0.00	$0.00	$0.00	$0.00
Net Cash Provided by/(Used in) Operating Activities:	($246.51)	$1,217.50	$1,193.08	$897.08
Cash Flows from Investing Activities:				
Purchase of Investments:	($8,416.48)	($1,004.62)	($7,075.65)	($12,306.71)
Proceeds from Sale or Redemption of Investments:	$1,944.00	$0.00	$34.77	$2,373.03
Purchase of Plant, Property, and Equipment, Net of Sales:	$0.00	$0.00	$0.00	$0.00
Investment in Other and Intangible Assets:	($100.00)	$0.00	$0.00	$100.00
Net Cash Provided by/(Used in) Investing Activities:	($6,572.48)	($1,004.62)	($7,040.88)	($9,833.68)
Cash Flows from Financing Activities:				
Proceeds from/(Repayments of) Long-Term Debt (net):	$105.69	($23.92)	($24.78)	($25.65)
Proceeds from Issuance of Shares of Common Stock:	$10,151.60	$1,040.26	$7,736.34	$9,556.78
Net Cash Provided by/(Used in) Financing Activities:	$10,257.29	$1,016.34	$7,711.56	$9,531.13
Net Increase/(Decrease) in Cash:	$3,438.30	$1,229.22	$1,863.76	$594.53
Cash at Beginning of Year:	$0.00	$3,438.30	$4,667.52	$6,531.28
Cash at End of Year:	$3,438.30	$4,667.52	$6,531.28	$7,125.81

2000	2001	2002	2003	2004	2005
$6,241.04	$4,372.01	$161.24	$1,200.59	$644.34	$1,005.84
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$8.50	($2.50)	$0.00	$2.50	$0.00	$0.00
($13.12)	($47.80)	($38.00)	($108.80)	$283.98	$5.00
$35.00	($35.00)	($164.87)	$19.44	$19.44	$19.44
$11.26	($2.14)	($26.55)	$29.78	($15.44)	$27.01
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
($155.39)	$10.65	($25.60)	$0.00	$85.00	($67.72)
$122.50	($21.80)	$107.50	($63.25)	$8.50	($114.45)
$0.00	$0.00	$0.00	$0.00	$0.00	$59.59
$494.34	($493.04)	($1.96)	$0.00	$0.00	$0.00
($7,190.89)	($4,250.76)	$590.97	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
($446.76)	($470.38)	$602.73	$1,080.26	$1,025.82	$934.71
($11,093.81)	($13,058.70)	$0.00	$0.00	$0.00	($16,938.46)
$14,715.35	$8,425.26	$4,097.03	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
$0.00	$0.00	$0.00	($90.00)	$0.00	$0.00
$3,621.54	($4,633.44)	$4,097.03	($90.00)	$0.00	($16,938.46)
($26.56)	($4.78)	$0.00	$0.00	$0.00	$0.00
$1,276.00	$6,347.50	$7,915.25	$0.00	$0.00	$15,805.64
$1,249.44	$6,342.72	$7,915.25	$0.00	$0.00	$15,805.64
$4,424.22	$1,238.90	$12,615.01	$990.26	$1,025.82	($198.11)
$7,125.81	$11,550.03	$12,788.93	$25,403.94	$26,394.20	$27,420.02
$11,550.03	$12,788.93	$25,403.94	$26,394.20	$27,420.02	$27,221.91

Getz & Associates, Incorporated, and Subsidiaries - Unit Data

World Wide Stamp Company Unit
Consolidated Statement of Income

For the Year Ended:	2000	2001	2002	2003	2004	2005
OPERATING REVENUES:						
Scripophily Revenues	$1,581.83	$1,304.46	$633.70	$494.75	$1,289.50	$269.41
Stamp Revenues:	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Postage Charges:	$151.25	$73.25	$40.50	$16.75	$41.50	$35.75
Other:	$0.00	$0.00	$0.00	$0.00	$0.00	$133.70
Total Operating Revenues:	$1,733.08	$1,377.71	$674.20	$511.50	$1,331.00	$438.86
OPERATING EXPENSES:						
Cost of Goods Sold:	$1,167.88	$1,039.60	$473.49	$383.60	$922.48	$193.95
Advertising:	$147.00	$2.90	$2.20	$1.10	$2.10	$10.55
Freight:	$105.45	$71.39	$60.61	$18.32	$25.85	$23.66
Insurance:	$9.75	$17.30	$4.40	$4.50	$6.20	$2.60
Internet Expenses:	$214.40	$214.40	$189.49	$168.94	$168.94	$168.94
Printing:	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Refunds:	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other:	$18.58	$2.04	$0.00	$4.60	$1.05	$0.00
Total Operating Expenses:	$1,663.06	$1,347.63	$730.19	$581.06	$1,126.62	$399.70
Operating Profit/(Loss):	$70.02	$30.08	($55.99)	($69.56)	$204.38	$39.16
Operating Margin:	4.0%	2.2%	-8.3%	-13.6%	15.4%	8.9%

G&A Financial, L.L.C. Unit
Consolidated Statement of Income

For the Year Ended:	2004	2005
OPERATING REVENUES:		
Advisory Revenues:	$0.00	$0.00
Other:	$0.00	$0.00
Total Operating Revenues:	$0.00	$0.00
OPERATING EXPENSES:		
Advisory Resources:	$0.00	$0.00
Client Communications:	$0.00	$0.00
Regulatory Expenses:	$0.00	$0.00
Printing:	$0.00	$0.00
Advertising:	$0.00	$0.00
Other:	$0.00	$0.00
Total Operating Expenses:	$0.00	$0.00
Operating Profit/(Loss):	$0.00	$0.00
Operating Margin:	-	-

Notes to the Consolidated Financial Statements

Note 1 – Description of Business
Getz & Associates, Incorporated, (hereinafter "the Corporation") is an investment company which, directly and indirectly, operates in the portfolio management, online retailing, and financial and investment advisory industries. The Corporation's portfolio management operations are limited to the management of the Corporation's internal investment portfolio. The Corporation's online retail operations are conducted by the Corporation under the registered trade name "World Wide Stamp Company" primarily through the retail operation's online web site. The retail operation specializes in the sale of collectible stock and bond certificates (scripophily), stamps (philately), and related supplies and materials. The Corporation's financial and investment advisory operations are conducted through G&A Financial, L.L.C., an Indiana limited liability company and wholly-owned subsidiary of the Corporation. The Corporation was incorporated in the State of Missouri in 1995. G&A Financial, L.L.C., was organized in Indiana in 2003.

Note 2 – General Information and Summary of Significant Accounting Policies
The preparation of the Corporation's financial statements requires the use of certain estimates made by the Corporation. The accompanying consolidated financial statements include estimates of future transaction costs, the level of charitable contributions, the deductibility of certain expenses for tax purposes, and applicable federal and state income tax rates. Other estimates may be made where required. Actual results could differ from these estimates and, to the extent these differences are significant, could have a material effect on the Corporation's financial position and the net asset value per share of the Corporation's common stock.

Accounting Principles – The Corporation uses the accrual method of accounting, which recognizes income and expenses on the date the income is received or the expense is incurred. In general, the Corporation's accounting methods closely follow the standards of GAAP (Generally Accepted Accounting Principles). However, in some respects, the Corporation's accounting methods may differ from the standards of GAAP where the Corporation believes such alternate presentation is preferable. Nonetheless, the Corporation believes that its method of accounting is satisfactory for the Corporation's purposes and fully and accurately reflects the accounts, activities, and financial results and position of the Corporation. Questions concerning the Corporation's accounting methods may be directed to the Corporation.

Basis of Consolidation – The consolidated financial statements include the accounts of the Corporation and all wholly-owned and majority-owned subsidiary companies. Majority-owned subsidiary companies are those companies in which the Corporation holds either an economic interest equal to 80% of the value of the outstanding securities of the entity or in which the Corporation has direct voting control over the entity. Any material inter-company balances and transactions have been eliminated.

Reclassifications – Although no material reclassifications were made in 2005, substantial reclassifications occurred in 2004 relative to prior financial statements as a result of the reorganization of the Corporation's financial statements to better reflect the presentation generally followed under GAAP.

Advisory Revenues and Expenses – Advisory revenues are recognized when earned. Advisory revenues are considered earned at the end of each month during which services are provided to the advisory client (or at the end of such other period when an advisory client ends the advisory relationship prior to the end of the month, at which point earned revenues are pro-rated and recognized for the portion of the month over which services were provided). Advisory revenues collected but unearned are included as a component of unearned revenues. Advisory expenses are recognized as incurred.

Retail Revenues and Expenses – Retail sales revenues are recognized when the products ordered by the customer are shipped to the customer. If a single order is divided between different shipments, the Corporation will recognize the portion of the order shipped as revenue and maintain an unearned revenue balance for the remaining order due to the customer. Retail revenues collected but unearned are included as a component of unearned revenues. Retail expenses are recognized as incurred.

Cash & Cash Equivalents – The Corporation includes all cash and similar highly liquid instruments, such as checks and money orders, either held directly by the Corporation or held by financial institutions such as banks and/or brokerage firms on behalf of the Corporation, in cash and cash equivalents.

Accounts Receivable – Accounts Receivable consists of funds owed to the Corporation, primarily by retail and advisory customers and suppliers.

Inventories – Inventories consist of goods (primarily collectible stock and bond certificates) held by the Corporation for resale to retail customers. Inventories are accounted for at the lower of original cost or estimated fair market value.

Investments – Investments reflect the marketable securities held in the Corporation's investment portfolio and are recorded on the balance sheet at fair market value. The Corporation classifies all of the marketable securities in the investment portfolio as available-for-sale. Unrealized gains and losses within the investment portfolio are recorded, net of taxes, as a component of shareholders' equity under the heading "accumulated other comprehensive income." Recognized gains and losses are recognized upon the sale of a marketable security and are reflected in the income statement on a specific identification basis.

Generally accepted accounting principles include a provision providing for the immediate recognition in the income statement of unrealized losses on investments which, under certain circumstances, are considered other-than-temporary impairments. An investment is considered impaired when its fair market value is less than the original cost basis of the respective investment (that is, when an unrealized loss is attributable to the respective investment). Generally, the Corporation does not test for possible other-than-temporary impairments within its investment portfolio due to the extended holding period over which the Corporation intends to hold investments purchased for the investment portfolio. Among other considerations, the determination of other-than-temporary impairments generally requires substantial judgment on the part of management. Regardless of the recognition of unrealized losses in the income statement, unrealized losses are reflected in the net asset value per share of the common stock due to the recording of unrealized losses (and gains) in the accumulated other comprehensive income account as a component of shareholders' equity.

Long Term Debt – Long-term debt is any liability with a term of repayment exceeding one year.

Deferred Income Taxes – Deferred income taxes reflect an estimate of the taxes the Corporation expects to pay on net unrealized gains and losses in the Corporation's investment portfolio (upon realization of these unrealized gains and losses) and temporary differences which have arisen due to differences between the Corporation's financial reporting and tax reporting. The Corporation does not presently have any temporary differences which have arisen due to differences between its financial reporting and tax reporting.

Shares Outstanding – Shares outstanding reflects the total number of shares of the common stock outstanding as of the date or the end of the period presented. For purposes of calculating earnings per share on a basic and diluted basis, the Corporation does not adjust the number of shares outstanding to present a weighted average of shares outstanding over the period as required by GAAP. This deviation from GAAP does not generally result in a material difference in basic or diluted earnings per share.

Note 3 – Other Income

Other income consists of various items such as tax refunds, tax grants, refund refusals by retail customers, service credits, and reimbursements/recoveries for costs associated with returned inventory. Other interest income/(expense) relates to interest income and expense unrelated to the Corporation's investment portfolio. Questions as to the specific composition of this category for any year may be directed to the Corporation.

Note 4 – Income Taxes

The Corporation pays federal and state income taxes at statutory rates offset by certain deductions and

exemptions which the Corporation receives under the federal tax code. The Corporation makes estimated federal income tax payments periodically throughout the year based on the Corporation's estimate of the ultimate federal income tax liability for the year with any difference between total estimated tax payments and actual federal tax liability reconciled with the filing of the Corporation's federal income tax return. The Corporation is generally not liable for, and historically had not made, estimated state income tax payments. There can be no assurance that the Corporation will not be required to make estimated state income tax payments in the future.

During 2003, the Corporation carried back capital losses from tax year 2002 to tax years 1999 and 2000, resulting in the receipt of federal income tax refunds during 2003 totaling $88.64 (including accrued interest). This amount exceeded the Corporation's combined federal and state income tax liability for 2003, causing the Corporation to recognize a net tax benefit of $22.88 for 2003.

Note 5 – Prepaid Expenses
Prepaid expenses represent the value of goods and services for which the Corporation has paid prior to receipt or performance of the goods or services. As of December 10, 2005, the Corporation's prepaid expenses reflected prepaid amounts for web site hosting services and domain name registration. The Corporation generally pays for web site hosting services semi-annually and charges web site hosting expenses to income on a monthly basis. In 2002, the Corporation registered its domain name, www.getzassoc.com, through 2012, and prepaid the related registration expenses. The Corporation charges domain name registration expenses to income on an annual basis.

Note 6 – Other Current Assets
Other current assets consist of assets which can be easily and quickly converted into cash or cash equivalents. Examples of other current assets held by the Corporation are postage stamps or positive balances on the Corporation's line of credit.

Note 7 – Intangible Assets
Intangible assets represent the notional value of assets held by the Corporation which are not physical assets and likely could not be easily sold for value. As of December 10, 2005, the entire balance in the intangible asset account reflects unamortized organizational expenses associated with the organization of the Corporation's advisory subsidiary, G&A Financial, L.L.C. Subsequent to the end of the fiscal year, the Corporation entered into a definitive agreement to sell the rights to the name "G&A Financial, L.L.C." for the recorded book value of $90.00 (see *Note 19 – Subsequent Events*).

Note 8 – Other Assets
Other assets consist of assets held by the Corporation which are relatively illiquid. Examples of other assets are envelopes, folders, binders, corporate stock certificates, and other materials that would be difficult to convert into cash. Due to the nature of these assets, the Corporation has elected to assign no carrying value to these assets.

Note 9 – Shareholders' Equity
The Corporation has 30,000 shares of common stock authorized for issuance without par value. The Corporation may, from time to time and subject to its discretion, sell additional shares of its common stock (subject to applicable federal and state securities registration exemptions) to fund future growth and/or for other general corporate purposes.

Note 10 – Accumulated Other Comprehensive Income
The change in accumulated other comprehensive income is related to the unrealized gains and losses on investments within the Corporation's investment portfolio. Unrealized gains and losses are reported in accumulated other comprehensive income net of the estimated income taxes payable upon realization of unrealized gains and losses within the investment portfolio (taking into account estimated transaction costs associated with such realizations).

Note 11 – Accounts Payable
Accounts payable reflects amounts owed by the Corporation to suppliers for products purchased and received but not yet paid for. The vast majority of the Corporation's retail products are purchased on a basis requiring immediate payment to the supplier. As a result, the Corporation generally does not carry account balances with product suppliers.

Note 12 – Accrued Liabilities
Accrued liabilities are short-term liabilities which carry terms of payment of less than one year. Accrued liabilities may include payments owed for services or products received (other than products for resale) but not yet paid for, short-term loans taken by the Corporation to fund immediate cash or credit needs, or temporary liabilities which may be paid at any time. Generally, accrued liabilities represent balances carried by the Corporation on one of more of the Corporation's established lines of credit.

Note 13 – Other Current Liabilities
Other current liabilities include current liabilities which are not included under any other current liability category. Current liabilities include, but are not limited to, sales taxes collected from customers yet not remitted to the state and income taxes payable.

Note 14 – Deferred Tax Liabilities
Deferred tax liabilities consist of projected federal income taxes on capital gains for which the Corporation would be liable upon the sale of its investment portfolio and state sales taxes collected from customers and not yet remitted to the State of Missouri. The amount recorded for this item in 2000 included the Corporation's estimated 2000 income taxes accrued but not yet paid to the State of Missouri. The Corporation generally does not account for income taxes on retail or investment income when received; however, at any given point in time, this amount does not exceed one quarter percent (0.25%) of the net asset value per share of the Common Stock.

Note 15 – Lines of Credit
The Corporation maintains revolving lines of credit with the Bank of America and American Express Corporation. The Corporation's revolving line of credit with the Bank of America was established in 1997 and permits the Corporation to borrow up to three thousand dollars ($3,000.00). The Corporation's revolving line of credit with American Express was established in 2003 and permits the Corporation to borrow up to eight thousand six hundred dollars ($8,600.00). The interest rate applicable to balances carried by the Corporation on either of these revolving lines of credit is based on a premium over the prime interest rate. Generally, the Corporation manages its revolving debt in order to minimize interest payments on these revolving lines of credit. Generally, repayment of borrowings under the Corporation's revolving lines of credit, in the event that the Corporation defaults on any such payment, is guaranteed by persons related to the Corporation.

Subsequent to the end of the fiscal year, a new subsidiary of the Corporation, Winter Harbor Advisors, L.L.C., entered into an agreement establishing a separate revolving line of credit (since the Subsidiary is a separate legal entity from the Corporation) with American Express Corporation (see *Note 19 – Subsequent Events*).

Note 16 – Incentive Stock Option Plan
In 1999, the Corporation's shareholders approved an incentive stock option plan (hereinafter the "Plan") which provides for the granting of incentive stock options, at the discretion of the Corporation's board of directors, to certain employees of the Corporation. Incentive stock options issued under the Plan are classified as qualified incentive stock options and are granted with an exercise price not less than the net asset value per share of the common stock (considered the fair market value per share of the common stock for the purposes of the Plan) on the date of grant of the respective incentive stock options. Incentive stock options granted under the Plan are exercisable by the recipient immediately upon grant. The maximum number of shares of the common stock which are reserved for issuance upon exercise of incentive stock options granted under the Plan is five hundred (500). A summary of stock option transactions is presented below:

As of December 10:	**2005**		2004		2003	
Outstanding (Beginning of Year)	**6**	**$15.00**	6	$15.00	6	$15.00
Exercised	**-**	**-**	-	-	-	-
Forfeited	**-**	**-**	-	-	-	-
Granted	**-**	**-**	-	-	-	-
Outstanding (End of Year)	**6**	**$15.00**	6	$15.00	6	$15.00
Exercisable (End of Year)	**6**	**$15.00**	6	$15.00	6	$15.00

As of December 10, 2005, options exercisable had exercise prices between $12.23 and $16.90 and a weighted average remaining contractual life of 5.167 years. Up to 494 shares of the common stock are authorized for future incentive stock option grants.

In computing the number of shares outstanding on a diluted basis (reflecting the issuance of shares upon exercise of stock options), the Corporation uses the treasury stock method. Under this method, the Corporation assumes that all outstanding stock options with an exercise price less than or equal to the net asset value per share of the common stock at the time of the calculation are exercised (resulting in the issuance of shares of the common stock) and a number of shares of the common stock with a total net asset value equal to the proceeds from the exercise of such stock options are repurchased.

Note 17 – Related Party Transactions

The Corporation has in the past engaged in transactions and contractual relationships with related parties. Generally, these transactions and contractual relationships allowed the Corporation to borrow funds from related party and were integral to the initial development and financing of the Corporation upon its organization in 1995. The last of these contractual relationships were terminated by the Corporation in 2001. Since that time, the Corporation has not engaged in any material transactions or contractual relationships with a related party.

The Corporation has been informed that certain executive officers of the Corporation hold personal interests (in the form of securities purchased on the open market) in one or more of the companies in which the Corporation holds investments. The Corporation does not believe that these cross-holdings of securities are on a scale sufficient to be material to the Corporation or materially affect the market value of the respective securities.

Note 18 – Industry Segments

The Corporation operates in three different and distinct business segments and reviews the operations and financial results of each business segment individually. These business segments are portfolio management (in which the Corporation manages its investment portfolio on behalf of the shareholders), online retailing (in which the Corporation sells collectible stock and bond certificates (scripophily), stamps (philately), and related supplies online under the name "World Wide Stamp Company"), and financial and investment advisory services (which are offered through the Corporation's wholly owned subsidiary, G&A Financial, L.L.C., an Indiana limited liability company). The Corporation considers portfolio management its core business operation.

Note 19 – Subsequent Events

In January of 2006, subsequent to the end of the Corporation's fiscal year, the Corporation filed documents to organize Winter Harbor Advisors, L.L.C., as a Utah limited liability company and wholly-owned subsidiary of the Corporation. Winter Harbor Advisors, L.L.C., is intended to assume the prior role of G&A Financial, L.L.C., as the Corporation's future investment management and financial advisory subsidiary. The Corporation simultaneously entered into an agreement with Carlton A. Getz, a director and executive officer of the Corporation in addition to the Corporation's largest shareholder, to sell the rights to

the name "G&A Financial, L.L.C." for cash equal to the Corporation's recorded book value of $90.00. As part of this agreement, Mr. Getz has agreed not to use the name for any business within the next ten (10) years other than for a business in which the Corporation owns the entire financial interest in such business.

In March of 2006, Winter Harbor Advisors, L.L.C., (hereinafter the "Subsidiary") entered into an agreement establishing a separate revolving line of credit (since the Subsidiary is a separate legal entity from the Corporation) with American Express Corporation. Under the terms of the revolving line of credit, the Subsidiary is permitted to borrow up to twenty seven thousand four hundred dollars ($27,400.00). The interest rate applicable to balances carried by the Subsidiary is substantially similar to that applicable to balances carried under the Corporation's separate revolving lines of credit. In conjunction with the extension of the revolving line of credit to the Subsidiary, the maximum amount the Corporation may borrow under its separate revolving line of credit with American Express was reduced to five hundred dollars ($500.00).

Also in March of 2006, the Corporation made a cash contribution of twelve thousand dollars ($12,000) to capitalize Winter Harbor Advisors, L.L.C.

In April of 2006, Winter Harbor Advisors, L.L.C., filed registration documents with the Division of Securities of the State of Utah to become a registered investment advisor in the State of Utah. These filings are currently pending review and approval by the Division of Securities.

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